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Secret Memo on Arms Deals

CONTRA COVER-UP CONFIRMED

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A secret Justice Department memorandum obtained by The Voice says that a senior official in the U.S. embassy in San José, Costa Rica, urged a former CIA operative not to cooperate with the Justice Department and the FBI in an investigation of illegal activities on be-

half of the Nicaraguan contras. The former agent, an American rancher named John Hull, played a key role in the network of arms shipments and mercenary recruitments set up by Lieutenant Colonel Oliver L. North to circumvent the congressional ban on such aid.

The information in the memorandum provides names, dates, and places of this highly organized operation, which remained largely hidden until the current scandal broke last fall. It proves that top officials of the U. S. government were aware of these illegal activities early in 1986. It also shows that attempts to conceal this network were more pervasive than previously suspected.

The memo, dated May 14, 1986, and marked "Sensitive," is addressed to the United States attorney in Miami, Leon B. Kellner, from an assistant U.S. attorney, Jeffrey D. Feldman, and discusses in some detail efforts by Feldman and the FBI to trace allegations of mercenary recruiting and contra gun-running from Miami by Civilian Military Assistance, an anticommunist paramilitary organization, and a procontra group of Cuban exiles. Part of the memo, whose authenticity is confirmed by the department, relates a March 1986 trip by Feldman and two FBI agents to San José to interview Hull and other potential witnesses. But when the time came to talk to Hull, wrote Feldman:

"Hull cancelled the interview that morning [March 3].... Approximately thirty minutes after Hull called me, Kirk Kotula, the U.S. Consul General in San

José, informed me that he had advised Hull the day before not to speak with us without counsel. Kotula said that he gave Hull this advice after Hull had asked him why the [FBI] agents and myself were in Costa Rica."

Kotula's instruction to Hull came during the time his own boss, U.S. Ambassador to Costa Rica Lewis Tambs, was playing an integral role in North's illegal arms resupply network. Similarly, the memo shows that then-CIA station chief in Costa Rica, Joseph Fernandez, misled the federal investigators, when he too was a key lieutenant in North's illegal arms resupply network.

The ambassador, who has announced that he will resign, told the Tower Commission that he received instructions from North, a senior CIA official, and Assistant Secretary of State Elliott Abrams "to aid the Nicaraguan resistance forces in setting up a 'Southern Front.'" North's instructions directly violated a congressional ban prohibiting U.S. officials from helping the contras militarily. Tambs, according to the Tower report, also pressured the Costa Ricans to allow the arms resupply network to use an airfield it had built near the Nicaraguan border.

The Tower Commission also exposed Fernandez's role—under the code name "Tomas Castillo"—as an aide to North in the illegal contra resupply operation. The commission's report noted that "Lt. Col. North received fifteen encryption devices from the National Security Agency for use in transmitting classified messages." One of those devices was given to Fernandez, who communicated with North about the resupply network, in some cases determining exactly where arms shipments would be sent. Fernandez himself has since been suspended temporarily for supposedly acting without authorization from CIA headquarters. He has testified before the Senate Intelligence Committee, however, that his aid to North was sanctioned by senior agency officials.

According to Feldman's memo, "Fer-

andez... told me that prior to March 1984 the U.S. military used Hull's Costa Rican ranch to deliver equipment to the contras. Fernandez also said that since March 1984, Hull has assisted the contras by providing them with food, medical supplies, and other nonlethal necessities." Fernandez went on to deny "that Hull has been an operative for the CIA or other U.S. agency since that time"—meaning the legal cutoff date for lethal aid from U.S. intelligence agencies to the contras.

Fernandez was lying to the federal investigators. Hull often reported directly to Fernandez as part of North's covert network. Hull was also involved in smuggling arms to the contras after the congressional ban, which Fernandez also knew about because of his own direct involvement.

Feldman himself apparently doubted Fernandez's claims, since in the memo he wrote: "It is unclear whether John Hull has had an official role in U.S. sponsored contra operations since March 1984. Fernandez denied that Hull had been an operative for the CIA or [any] other agency since that time. Hull, however, has allegedly made remarks that suggest otherwise."

"In April 1985, Hull allegedly told Steven Carr and Peter Glibbery [two American mercenaries who operated from Hull's ranch] that the National Security Council provided him \$10,000 a month to support operations in northern Costa Rica. During the same month, Hull allegedly told [another mercenary] that the United States airdropped contra supplies, including weapons, onto his ranch."

Hull's refusal to be interviewed hindered the Miami probe. But he was not the only participant trying to cover up the illegal arms network. Hull contacted North shortly after his refusal to talk to Feldman. According to White House and Justice Department sources, North related his conversation with Hull to then national security adviser John Poindexter, and Poindexter asked Attorney General Edwin Meese III to stop the Miami investigation. Meese told Poindexter he would "get on top of the situation," and intervened with Kellner. The investigation was derailed until last November, when a grand jury was finally impaneled—after the Hasenfus crash and initial press revelations about Meese's contacts with Kellner (see "Obstruction at Justice," March 31, 1986).

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Feldman's 21-page memo was written nearly 11 months ago, four months after the probe of the Miami contra connection began in January 1986.

At that time, the Justice Department's Miami office and the FBI started to examine allegations by one Jesus Garcia, a former Miami corrections officer whose anticommunist convictions had led him into involvement with Tom Posey, the leader of the paramilitary Civilian Military Assistance, and procontra Cuban exile groups in Florida.

By May 14, federal investigators had found evidence to substantiate charges that weapons statutes and the Neutrality Act—which forbids acts of war by Americans against nations with which the U.S. is at peace—had been violated:

● According to the memo, "In November 1984, the CMA recruited ten mercenaries to fight in Honduras with the Nicaraguan Democratic Force [FDN, the main contra army]... Five [other] mercenaries were recruited by Tom Posey and Rene Corvo [leader of a procontra Cuban exile group] between January and March 1985 to fight with and/or train contras in Costa Rica." Posey has repeatedly denied any role in sending mercenaries to Central America.

Cited as one source for this information was Jack Terrell, a former CMA field commander, who later broke with Posey and has since told his story to congressional investigators. "Jack Terrell told us that in November 1984, the CMA sent ten mercenaries to fight with the FDN in Honduras," says the memo. "In late October 1984, Terrell made contact with CMA leaders and offered his assistance. Shortly thereafter, he and other CMA leaders met in Honduras with FDN commander Enrique Bermudez. Bermudez and Terrell agreed that CMA would recruit mercenaries to fight with the FDN's special forces.

"Terrell returned to the United States and with Tom Posey's help, recruited 10 mercenaries. The mercenaries flew to Honduras from New Orleans via commercial jet in mid-November 1984," but were expelled from that country less than a month later, after the *Memphis Commercial Appeal* ran an account of their activities. "Terrell's story appears to be true," wrote Feldman.

● The memo states that "Between January 1985 and March 1985, Rene Corvo and Tom Posey recruited five mercenaries to train and/or fight with contras operating from Costa Rica." John Hull also played a key role in recruiting these mercenaries and bringing them to his ranch in Costa Rica, used as a staging

ground for anti-Sandinista activities. The memo notes that "on March 8, 1985, Glibbery, Davies, and Chaffard reported to [a Miami] Howard Johnson's hotel... with instructions to contact John Hull." On the very next day, says the memo, the three mercenaries "flew with John Hull to San Jose, Costa Rica. Hull initially took them to his ranch at Muelle San Carlos, Costa Rica. Approximately five days later, an FDN truck drove them from the ranch to a contra camp on the Nicaraguan border."

● The memo presents substantial evidence that Rene Corvo engineered two massive illegal shipments of arms to the contras in early and mid-1985. "On March 6, 1985, and June 13, 1985, Corvo chartered a private cargo plane to fly quantities of supplies from Ft. Lauderdale... to the Ilopango airbase... in El Salvador. Weapons may have been aboard both flights."

The FBI examined the cargo manifests for both flights, says the memo, but they showed only "clothing and medical supplies had been transported. However, Steven Carr claims... that the March 6, 1985 flight carried both lethal and nonlethal equipment... when they arrived at the airport [for the flight] this equipment had already been loaded onto the plane.

"The weapons were picked up on March 5, 1985. Carr said that an unidentified member of Brigade 2506 [a secret Cuban exile group], Corvo, and himself picked up three boxes of equipment from Corvo's mother's home in South Miami." Jesus Garcia had originally told the FBI about his own role in loading weapons aboard the plane, but his statements are inexplicably missing from Feldman's memo.

"According to Carr," the memo continues, "when the plane landed at the Ilopango Air Base in San Salvador, Salvadorean military officials unloaded the gear and placed it in storage... Carr claims that an FDN aircraft ferried all the weapons, except the cannon, to Costa Rica several weeks later." The ultimate destination turned out to be John Hull's ranch. Glibbery told Feldman and the FBI that he witnessed the off-loading of the weapons at Hull's ranch, but his comments, like those of Garcia, are not mentioned in the memo.

The May 14 memo closes by noting that "The FBI has requested that we begin a grand jury investigation into the activity described in this memo. The Bureau believes that a grand jury is necessary for several reasons. First, it would dispel claims that the

Department of Justice has not aggressively pursued this matter. Second, a grand jury would eliminate some of the deception they believe they have encountered during their interviews [with some of the key participants]. Finally, the grand jury would give the Department of Justice access to... business records... and bank records."

But the FBI request to convene a grand jury was turned down; one would not be convened until the following November, after the Hasenfus plane was downed and Meese's intervention in the investigation became public. In the memo, Feldman himself disagrees with the FBI grand jury request, saying, "At present, it would be premature to take this matter to a grand jury." Sources familiar with the probe, however, have told the Voice that prior to writing the memo, Feldman himself had been vociferously advocating that a grand jury be impaneled. These same sources say Feldman was ordered by Kellner to write in the memo that no grand jury was needed.

Making matters even more complicated is Feldman's interview in the March 16 *National Law Journal*, in which he says he gave Kellner a prosecution memo on May 24, 1986, which advocated the formation of a grand jury. It is unclear whether Feldman was referring to a second memo or the one written on May 14. In any case, Feldman told reporter Fred Strasser, Kellner overruled his recommendation.

But there is something even more bizarre about the May 14 memo: it refers to an event that didn't occur until 16 days after it was allegedly written. A footnote in the memo mentions "a civil complaint filed on May 30, 1986, [italics added]" by journalists Martha Honey and Tony Avirgan against Tom Posey, John Hull, and two dozen other defendants.

This anomaly suggests that the memo may have been purposely backdated. A source familiar with the probe believes that "after the allegations surfaced that Meese was interfering in the investigation, Kellner ordered Feldman to get something down on paper showing that they had reservations of their own about pursuing the thing—that the evidence wasn't as solid as everyone was indicating."